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April 22, 1994

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William Caton
Acting Secretary
Federal Communications Commission
Room 222
1919 M Street, NW
Washington, DC 20554

RE: Docket # 90-314 (PCS Panel Discussion)

Dear Sir:

Pursuant to the Commission's April 4 Public Notice regarding the PCS panel discussions, enclosed please find two copies of Northern Telecom's written statement responding to views expressed during the panel discussions. Please call me if you have any questions.

Sincerely,

Raymond L. Strassburger
Director, Government Relations - Telecommunications Policy

RLS/gj

Enclosure

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Federal Communications Commission
Room 5002
2025 M Street, N.W.
Washington, D.C. 20554
Attn: Gail Brown, Private Radio Bureau

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Gen. Docket No. 90-314 Panel Discussion on Personal
Communications Services Issues

To: Chairman Hundt, Commissioner Quello, Commissioner Barrett, and
Members of the PCS Task Force

Northern Telecom appreciated the opportunity to appear before the Commission's PCS Task Force on April 11, 1994. The Commission is to be commended for holding these discussions as part of its efforts to expeditiously resolve the complex issues surrounding PCS. Northern Telecom is submitting these abbreviated comments in response to certain views expressed during the panel discussions. Northern Telecom's more detailed comments are already a part of the record in the overall PCS proceeding.

Northern Telecom strongly believes that the Commission should move aggressively forward with the reconfirmation of the PCS Second Report and Order ("PCS Order") with the minor changes specified below:

- Increase base station power limits for licensed PCS to at least 1600 Watts EIRP.
- Adopt the complete Etiquette as proposed by WINForum (including those items excluded in the PCS Order).
- Eliminate the current build-out requirements for licensed PCS in the 10 MHz channels.

Several panelists commented in their written testimony that base station power limits for licensed PCS must be increased to ensure the economic and competitive viability of the PCS industry in all market areas.^{1/} Increasing base station power limits is essential to reduce infrastructure costs

^{1/} Ernst & Young (Rural Telephone Cooperative), Airtouch, George Murray.

and to provide adequate coverage to rural areas. If PCS is to be an attractive investment and provide viable competition to other wireless services, base station power limits for licensed PCS must be increased. A minimum of 1000 Watts EIRP is required for equality with cellular and to enable utilization of existing technologies. A power level of at least 1600 Watts EIRP will allow for incorporation of emerging antenna technologies.

Northern Telecom believes that the current unlicensed PCS allocation of 40 MHz must be retained, with the lightly loaded spectrum being equally shared between asynchronous and isochronous devices. Northern Telecom agrees with the data applications and its numerous public benefits outlined in Apple's written submission. However, many of these services can also be offered using a fixed infrastructure, providing opportunities for coordination and early deployment. Northern Telecom supports UTAM's activities and believes that to make the unlicensed PCS industry viable for both asynchronous and isochronous devices, the lightly loaded spectrum must be equally shared between these devices to maximize revenues for clearing the entire unlicensed band.

Northern Telecom urges the Commission to retain the current spectrum allocation plan. As was indicated in our written submission, Northern Telecom plans to introduce PCS products in all bands as established by the PCS Order. Proposals such as moving the unlicensed band to the 2100 MHz range would cause Northern Telecom to question the viability of the unlicensed PCS business due to inordinate and impractical coordination costs associated with deploying unlicensed product at 2100 MHz. This would result in a serious re-evaluation of Northern Telecom's current position and product development plans for the unlicensed band and the 2100 MHz band as currently allocated.

The products designed and markets addressed in the 2100 MHz band are in our view, distinctly different than those markets addressed by either the licensed or unlicensed PCS allocations in the 1850 - 1990 MHz bands. This is driven by not only the proposed 10 MHz allocations, but more importantly by the approximately 10,000 microwave incumbents currently occupying the 2100 MHz band, making band clearing in the foreseeable future impractical. Details of the markets enabled in the 10 MHz channels were provided in our written submission.

Major changes to the PCS Order, such as changing the current spectrum allocation plan in both the licensed and unlicensed bands, could cause significant delays to the PCS industry. Several panelists commented on how delays could negatively impact demand for PCS and all aspects of the PCS

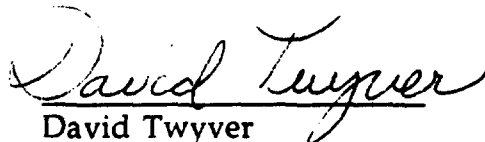
Mr. Reed Hundt
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industry.^{2/} Personal Communications Industry Association (PCIA) in its written testimony, addressed the issue of delays in the PCS industry citing five major impacts: 1) diminished demand; 2) less effective competitors; 3) potential new entrants; 4) international trade; and 5) financial markets. Making significant changes to the PCS Order would not delay the industry by only several months, but would actually reset the clock back to September, 1993 when the Commission adopted the PCS Order. Therefore, if the Commission changes the current allocation plan, the PCS industry could possibly be delayed by at least seven months. This delay results from the fact that many companies with an interest in the PCS industry, have already invested significant resources in research and development, market strategies and development, and product design based on the current PCS Order. If there are significant changes made to the PCS Order, these efforts would have to be restarted and substantial additional costs would be incurred.

Northern Telecom agrees with the written submissions that advocate technical standards. However, we believe that the industry itself is in the best position to develop such standards and is aggressively moving forward in this area. Further governmental oversight would only delay the formation of PCS business opportunities. The record has clearly indicated the negative implications to delaying the PCS industry.

Northern Telecom again applauds the Commission in its commitment to the development of the PCS industry and urges the Commission to act expeditiously in this proceeding and reconfirm the PCS Order with minor changes as stated previously.

Respectfully submitted,

A handwritten signature in cursive script, reading "David Twyver".

David Twyver
President, Northern Telecom Wireless Systems

cc: Mr. William Caton, Acting Secretary

^{2/} E.g. Personal Communications Industry Association, Economic & Management Consultants International, Time Warner Telecommunications, Hatfield Associates, Inc.